

## 7A Am. Jur. 2d Automobiles § 175

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### Automobiles and Highway Traffic

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### III. Licensing, Taxation, and Registration

#### D. Financial Responsibility or Security Requirements

##### 2. Motor Carriers

## § 175. Financial responsibility or security requirements for motor carriers; generally

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### West's Key Number Digest

West's Key Number Digest, [Automobiles](#)  88 to 95

Minimum levels of financial responsibility are set forth by federal law for the transporting of passengers<sup>1</sup> and property<sup>2</sup> by motor carriers. The purpose of federal regulations setting forth minimum levels of financial responsibility for motor carriers is to create additional incentives to motor carriers to maintain and operate their vehicles in a safe manner and to assure that motor carriers maintain an appropriate level of financial responsibility for motor vehicles operated on public highways.<sup>3</sup> A motor carrier is also required to file a bond, insurance policy, or other type of security which is sufficient to pay for each final judgment against the motor carrier for bodily injury to, or death of, an individual resulting from the negligent operation, maintenance, or use of motor vehicles, or for loss or damage to property, or both.<sup>4</sup> The purpose underlying the proof of insurance requirement for motor carriers is to ensure that the carrier has independent financial responsibility to pay for losses sustained by the general public arising out of its trucking operations.<sup>5</sup>

### Definition:

A motor carrier is a person providing motor vehicle transportation for compensation.<sup>6</sup> A motor carrier can be a for-hire motor carrier or a private motor carrier of property by motor vehicle.<sup>7</sup>

In the exercise of their police power, state legislatures have enacted statutes requiring motor vehicle carriers of passengers or goods for hire, as a prerequisite to the obtaining of a license or certificate to use the public highways, to furnish security in the form of a bond or a policy of insurance for the benefit of persons injured by the carrier's operations.<sup>8</sup> A bond or insurance policy issued for the protection of passengers and members of the public who may be injured by the negligence of the operators of such conveyances must be construed most strongly against the surety or insurer<sup>9</sup> so as to accomplish the purpose of state financial responsibility laws.<sup>10</sup> A bond or insurance policy procured by a motor carrier as required by statute will not be construed to be more restrictive in its coverage than that required by statute, but may be broader in its scope of coverage than the statute requires.<sup>11</sup>

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Footnotes

1 49 U.S.C.A. § 31138.

2 49 U.S.C.A. § 31139.

3 49 C.F.R. § 387.1.

4 49 U.S.C.A. § 13906.

5 Northland Ins. Co. v. New Hampshire Ins. Co., 63 F. Supp. 2d 128 (D.N.H. 1999).

6 49 U.S.C.A. § 13102(14).

7 49 C.F.R. § 387.5.

8 Continental Baking Co. v. Woodring, 286 U.S. 352, 52 S. Ct. 595, 76 L. Ed. 1155, 81 A.L.R. 1402 (1932); Miller v. Harco Nat. Ins. Co., 241 F.3d 1331 (11th Cir. 2001), certified question answered on other grounds, 274 Ga. 387, 552 S.E.2d 848 (2001) (applying Georgia law); Northland Ins. Co. v. New Hampshire Ins. Co., 63 F. Supp. 2d 128 (D.N.H. 1999); Ex parte Cardinal, 170 Cal. 519, 150 P. 348 (1915); State v. Dillon, 82 Fla. 276, 89 So. 558, 22 A.L.R. 227 (1921); City of Memphis v. State, 133 Tenn. 83, 179 S.W. 631 (1915); International Ins. Agency, Inc. v. Railroad Com'n of Texas, 893 S.W.2d 204 (Tex. App. Austin 1995), writ denied, (Aug. 30, 1995); Puget Sound Traction, Light & Power Co. v. Grassmeyer, 102 Wash. 482, 173 P. 504 (1918); Ex parte Dickey, 76 W. Va. 576, 85 S.E. 781 (1915).

As to persons protected, and damage or injury covered, by a bond or insurance, see § 179.

9 Tulchinsky v. Public Service Mut. Cas. Ins. Corp., 245 A.D. 382, 282 N.Y.S. 944 (2d Dep't 1935); Utilities Ins. Co. v. Potter, 1940 OK 127, 188 Okla. 145, 105 P.2d 259, 154 A.L.R. 512 (1940); Ott v. American Fidelity & Cas. Co., 161 S.C. 314, 159 S.E. 635, 76 A.L.R. 4 (1931).

10 City of Detroit v. Blue Ribbon Auto Drivers' Ass'n, 254 Mich. 263, 237 N.W. 61, 74 A.L.R. 1306 (1931).

11 Haser v. Maryland Cas. Co., 78 N.D. 893, 53 N.W.2d 508, 33 A.L.R.2d 1018 (1952).